Increase in rate of interest of short term seasonal deposit

2308. SHRI KALRAJ MISHRA : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the rate of interest on short term seasonal deposit has been increasing year after year;

(b) if so, the rate of interest for 2003-04, 2005-06 and the current year; and

(c) the reasons for the increase, in the context of decreasing interest regime?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The rate of interest on short term deposits (seven days to one year maturity) in respect of public sector banks, private sector banks and foreign banks during 2003-04, 2004-05 & 2005-06 remained as under:

Bank	2003-04	2004-05	2005-06*
Public Sector Banks	3.75-5.25	2.75-6.00	2.25-6.25
Private Sector Banks	3.00-6.00	3.00-6.25	3.50-6.75
Foreign Banks	2.75-7.75	3.00-6.25	3.00-6.00

*as on February, 2006

(c) The deposit rates of commercial banks, except those prescribed for saving bank accounts have been deregulated since October, 1997 and banks are presently free to determine their own deposit rates, depending on their commercial judgement.

Pension reform for government employees

2309. SHRI KALRAJ MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have lately been considering some proposal for Government employees' pension reforms; and

(b) if so, the details thereof and the decision taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) A new restructured defined contribution pension system for the new entrants to Central Government service, except to the Armed Forces, in the first stage, replacing the existing